

**CITY OF MORGAN HILL
JOINT REGULAR CITY COUNCIL AND
REGULAR REDEVELOPMENT AGENCY MEETING
MINUTES – MAY 2, 2007**

CALL TO ORDER

Mayor/Chairman Tate called the meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Carr, Grzan, Lee, and Mayor/Chairman Tate
Late: Council/Agency Member Sellers (arrived at 9:01 p.m.)

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

SILENT INVOCATION

Mayor/Chairman Tate announced, with great sadness, that the City Council would be adjourning this evening's meeting in memory of Virginia Acton who passed away May 1 at the age of 78 from a difficult year with cancer. It was his understanding that the Pravettoni family settled in Morgan Hill in 1936 and began what is known today as a legacy. He has been informed that Mrs. Acton loved nature. What she especially loved about living at the bottom of El Toro was the fact that she was so close to nature, and could feed the birds and the animals on a daily basis. It was his understanding that services would be held somewhere on the Acton property next week. The City Council joins the community in extending their deepest sympathy and condolences to the family. The City Council wishes to acknowledge and state its appreciation for all that Ms. Acton has done for the community.

PLEDGE OF ALLEGIANCE

RECOGNITIONS

Police Commander Joe Sampson introduced Kyle Christensen, a three-year Morgan Hill Police Officer who would be presented with a 10851 Award.

California Highway Patrol Deputy Chief Robert Clements and Captain Brett Newman presented the California Highway Patrol 10851 Award for the Recovery of Stolen Vehicles to Police Officer Kyle Christensen

Mayor Tate presented a Certificate of Recognition to Officer Christensen for his outstanding service to the community.

PROCLAMATIONS

Mayor Tate presented Carl McCann, Bicycle and Trails Advisory Chairperson, with a proclamation declaring the week of May 14-21, 2007 as *Bike to Work Week*; dedicating Thursday, May 17 as *Bike to Work Day*.

Mayor Tate presented Alan Clark with the *Cycling and Trail Awareness Award*.

Mayor Tate presented Ted Fox, St. Louise Regional Hospital, with a proclamation declaring May 6-12, 2007 as *National Hospital Week*.

PRESENTATIONS

Julie Alder, South Valley Disposal & Recycling, announced the Recyclers of the Year awards as follows: Residential Recycler of the Year - The Wood Family (Chris and Sarah); and 2006 Business Recycler of the Year-Thomas Kinkade Company - Greg Moore accepting the award.

Programs Manager Eulo announced that the City will be delivering the Morgan Hill Eco Shopper bags to every household in Morgan Hill in June to be used when individuals go to stores; avoiding the need to use plastic or paper bags.

Programs Manager Eulo announced the 2007 Environmental Poster Contest Winners: Lauren Fulnecky (K-3rd grade, Carden Academy); Ericka Burwell (4th-6th grade, St. Catherine's School); and Gina Park (7th-12th, Monte Vista High School).

Dan Ehrler announced the Chamber of Commerce's 2007 Sustainable Quality & Excellence Awards as follows: *Sustainable Quality Award*: Specialized Bicycles; Stewardship of the Natural Environment and Social Responsibility (Bob Margevicius): *Comcast – Morgan Hill Call Center*; Stewardship of the Natural Environment and Social Responsibility (Rosie Cornejo) - *St. Catherine Parish and School (Anna Quinones)*; *Stewardship to the Natural Environment* - People and Planet (Mike Munroe) and *Stewardship to the Natural Environment* - South County Housing (Sandy Hollenback).

Mayor Tate presented Certificates of Recognitions to the Chamber of Commerce 2007 Sustainable Quality & Excellence Award winners.

CITY COUNCIL REPORTS

Mayor Pro Tempore Carr stated that he did not have a report to present this evening in light of the amount of presentations just completed, and the fact that he has a significant item coming up later on the agenda.

CITY MANAGER'S REPORT

City Manager Tewes indicated that he did not have a report to present this evening.

CITY ATTORNEY'S REPORT

City Attorney Kern stated that she did not have a report to present this evening.

PUBLIC COMMENT

Mayor/Chairman Tate opened the floor to public comment for items not appearing on this evening's agenda.

Brian Sullivan stated that residents have been asking for information for approximately 4-5 weeks from the agency proposing the adult care facilities to be located on Taylor Avenue and Ginger Way. He indicated that the residents received the Site Selection Criteria for the two group homes today, via the City Clerk's Office. He noted that should the site not achieve 5 points in the neighborhood characteristics, the site would not qualify as a suitable site for a group home. He informed the Council that the residents looked over the Site Selection Criteria and that it is their belief the site only merits four of the seven points. He noted that the neighborhood has heavy industrial use, and that the criteria states that there is no commercial/industrial use in the area. Further, there are nearby safety hazards such as a freeway or heavily traveled arterial streets. He noted that Peebles Avenue has trucks driving on this road day and night. If both these sections had been marked "yes" instead of "no", the site would only merit 4 points. He stated that the residents are trying to understand the selection criteria the agency went through to rebuild the two homes in the neighborhood. Under medical services, if you look at the two homes that are manned the way they are supposed to, each home should have four caregivers at all times. This results in eight individuals and eight additional cars; with a shift change resulting in 16 cars. Should there be a medical emergency and there are all these cars parked on the streets, it would be difficult for emergency vehicles to access the homes without blocking the roads. He noted that Ginger Way and Taylor Avenue are dead end streets; adding more fuel to the fire should there be an incident in the neighborhood. There are no crosswalks equipped to accommodate residents with visual impairment. When you look at the Site Selection Criteria, the agency gave itself a point for amenities that would be made available to group home residents. He noted that bus service comes along twice a day in the area, there are no neighborhood parks, and there is heavy traffic in the area. He felt that visual and concrete proof has been provided that indicates the two homes do not meet the Site Selection Criteria.

Mayor Tate indicated that it would be his intent to request that group homes be agendized for a future meeting date.

Virginia Grant, a homeowner in Morgan Hill and a family member of someone with a developmental disability (e.g., mental retardation, epilepsy, cerebral palsy, autism, etc.), felt that many of the individuals in attendance this evening have a family member with a developmental disability. If they do not, they know of someone with a developmental disability as they are very common. She acknowledged group home residents will have medical needs. She requested that individuals look into their hearts and ask themselves if they would look into individual's eyes and tell family members that they do not want their relatives with developmental disabilities in their neighborhoods.

Robert Reinhardt addressed the SB 962 homes, and felt that there are several errors contained in the Site Selection Criteria report. He felt that the agency should have only listed two noes on the report with regards to the neighborhood amenities that are offered. The other issue is medical services and the distance to medical services. He felt that the mileage contained in the report are in error and are in favor of the report. The report sites St. Louise Hospital in Morgan Hill; noting that this hospital no longer exists. He commended Mayor Tate for taking action to agendize this matter as it needs to be addressed and that Morgan Hill residents need to be aware of what is taking place in the city. He acknowledged that the developmentally disabled residents will become residents of the city, and that they need to be embraced and welcomed. Further, a suitable place needs to be found for them. He informed the Council that he spent a lot of time educating himself on this matter. He almost finds himself an advocate for the developmentally disabled individuals. He has since learned that there are two additional housing units in the process or have been purchased in Morgan Hill. He did not believe the group home proposed at Dunne Avenue is suitable/safe for the developmentally disabled. He stated that he does not have a problem having these individuals in his neighborhood, but would like them to be safe. He recommended the Council take actions to slow down or stop the process until such time that a suitable environment can be found within the city to address special needs (find suitable housing that serves their special needs).

No further comments were offered.

City Council and Redevelopment Agency Action

ADOPTION OF AGENDA

Action: *On a motion by Council/Agency Member Lee and seconded by Mayor Pro Tempore/Vice-chair Carr, the City Council/Agency Board, on a 4-0 vote with Council/Agency Member Sellers absent, **Adopted** the agenda as printed.*

City Council Action

CONSENT CALENDAR:

Action: *On a motion by Mayor Pro Tempore Carr and seconded by Council Member Grzan, the City Council, on a 4-0 vote with Council Member Sellers absent, **Approved** Consent Calendar Items 1-12 as follows:*

1. JANITORIAL SERVICES AGREEMENT AMENDMENT

Action(s): *1) **Approved** an Amendment to the Centennial Recreation Center Janitorial Services Maintenance Agreement Extending Services to the Aquatics Center from May 15, 2006, until September 30, 2008, with Sunnyvale Building Maintenance in the Amount of \$36,975; and 2) **Authorized** the City Manager to Execute the Agreement on Behalf of the City; Subject to Review and Approval by the City Attorney.*

2. **ADOPT ORDINANCE NO. 1825, NEW SERIES**

Action(s): Waived the Reading, and Adopted Ordinance No. 1825, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-04-06: COCHRANE-BORELLO TO ALLOW FOR A FOUR MONTH EXTENSION TO COMMENCE CONSTRUCTION UNDER THE FISCAL YEAR 2006-2007 BUILDING ALLOTMENT (MP-03-04: COCHRANE-BORELLO)**

3. **ADOPT ORDINANCE NO. 1826, NEW SERIES**

Action(s): Waived the Reading, and Adopted Ordinance No. 1826, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-05-01: COCHRANE-MISSION RANCH TO ALLOW A FOUR MONTH EXTENSION TO COMMENCE CONSTRUCTION OF THE FISCAL YEAR 2006-2007 AND INCORPORATION OF ALLOCATIONS FOR FISCAL YEAR 2009-2010 (MC-04-26: COCHRANE-MISSION RANCH)**

4. **ADOPT ORDINANCE NO. 1827, NEW SERIES**

Action(s): Waived the Reading, and Adopted Ordinance No. 1827, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-05-02: COCHRANE-LUPINE TO ALLOW A SIX MONTH EXTENSION TO COMMENCE CONSTRUCTION FOR THE FISCAL YEAR 2006-2007 BUILDING ALLOTMENT (MC-04-25: COCHRANE-LUPINE)**

5. **ADOPT ORDINANCE NO. 1828, NEW SERIES**

Action(s): Waived the Reading, and Adopted Ordinance No. 1828, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-05-04: EAST MAIN-MARRAD TO ALLOW FOR A FOUR MONTH EXTENSION TO COMMENCE CONSTRUCTION FOR THE FISCAL YEAR 2006-2007 ALLOTMENT AND TWO MONTH EXTENSIONS FOR THE FISCAL YEAR 2007-2008 AND FISCAL YEAR 2008-2009 ALLOTMENTS (MC-04-19: EAST MAIN – MARRAD/SAN SAVIGNO)**

6. **ADOPT ORDINANCE NO. 1829, NEW SERIES**

Action(s): Waived the Reading, and Adopted Ordinance No. 1829, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-04-08: TILTON-GLENROCK AMENDING EXHIBIT B TO INCLUDE ONLY COMMENCEMENT OF CONSTRUCTION DATES (MP-02-03: TILTON-GLENROCK)**

7. ADOPT ORDINANCE NO. 1830, NEW SERIES

Action(s): Waived the Reading, and Adopted Ordinance No. 1830, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-03-09: NATIVE DANCER – QUAIL MEADOWS TO ALLOW FOR A ONE-YEAR EXTENSION TO COMMENCE CONSTRUCTION OF THE FISCAL YEAR 2005-2006 BUILDING ALLOTMENT (MMP-03-01: NATIVE DANCER-QUAIL MEADOWS)

8. ADOPT ORDINANCE NO. 1831, NEW SERIES

Action(s): Waived the Reading, and Adopted Ordinance No. 1831, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-05-13: JARVIS – SOUTH VALLEY DEVELOPERS TO ALLOW SIX-MONTH EXTENSIONS TO COMMENCE CONSTRUCTION OF FISCAL YEAR 2006-2007 AND FISCAL YEAR 2007-2008 BUILDING ALLOTMENTS (MC-04-22: JARVIS-SOUTH VALLEY DEVELOPERS/MADRONE PLAZA)

9. ADOPT ORDINANCE NO. 1832, NEW SERIES

Action(s): Waived the Reading, and Adopted Ordinance No. 1832, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-06-03: JARVIS – SOUTH COUNTY HOUSING TO ALLOW SIX-MONTH EXTENSIONS TO COMMENCE CONSTRUCTION UNDER THE FISCAL YEAR 2007-2008 AND FISCAL YEAR 2008-2009 BUILDING ALLOTMENTS (MC-05-02: JARVIS-SOUTH COUNTY HOUSING/MADRONE PLAZA)

10. ADOPT ORDINANCE NO. 1833, NEW SERIES

Action(s): Waive the Reading, and Adopt Ordinance No. 1833, New Series, and Declare That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-05-06: GINGER – CUSTOM ONE TO ALLOW FOR AN EIGHT-MONTH EXTENSION TO COMMENCE CONSTRUCTION OF THE FISCAL YEAR 2006-2007 BUILDING ALLOTMENT (MMC-04-07: GINGER-CUSTOM ONE)

11. ADOPT ORDINANCE NO. 1834, NEW SERIES

Action(s): Waived the Reading, and Adopted Ordinance No. 1834, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT

AGREEMENT UNDER APPLICATION, DAA-05-12: SAN PEDRO-AHMADI TO ALLOW A TWO-MONTH EXTENSION TO COMMENCE CONSTRUCTION OF THE FISCAL YEAR 2006-2007 BUILDING ALLOTMENT (MMC-04-06: SAN PEDRO-AHMADI)

12. ADOPT ORDINANCE NO. 1835, NEW SERIES

Action(s): Waived the Reading, and Adopted Ordinance No. 1835, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: ***AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT AGREEMENT UNDER APPLICATION, DAA-05-09: DEL MONTE - GIOVANNI TO ALLOW A SIX-MONTH EXTENSION TO COMMENCE CONSTRUCTION UNDER THE FISCAL YEAR 2006-2007 BUILDING ALLOTMENT (MMC-04-05: DEL MONTE-GIOVANNI)***

Redevelopment Agency Action

CONSENT CALENDAR:

Action: On a motion by Vice-chair Carr and seconded by Agency Member Grzan, the Redevelopment Agency Board, on a 4-0 vote with Agency Member Sellers absent, Approved Consent Calendar Items 13 and 14 as follows:

13. INTERIOR FURNITURE FOR THE NEW MORGAN HILL LIBRARY

Action(s): Authorized the Purchase of Additional Office Furniture from Peninsula Business Interiors (PBI). PBI Shall Provide and Install the Office Furniture for the New Morgan Hill Library in an Amount Not-to Exceed \$49,314.72. This Cost is Based on U.S. Communities Government Purchasing Alliance (U.S. Communities).

14. OVERFLOW PARKING LEASE FOR CALIFORNIA YOUTH SOCCER ASSOCIATION (CYSA) EVENTS DURING OUTDOOR SPORTS CENTER CONSTRUCTION

Action(s): Authorized the Executive Director to Negotiate and Execute a Temporary Land Use Agreement with Evergreen Investment Group II for Event Overflow Parking Needs During the Construction Phase of the Outdoor Sports Center; Subject to Review and Approval by Agency Counsel.

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

Action: On a motion by Mayor Pro Tempore/Vice-chair Carr and seconded by Council/Agency Member Grzan, the Redevelopment Agency Board, on a 4-0 vote with Council/Agency Member Sellers absent, Approved Consent Calendar Item 15 as follows:

**15. JOINT REGULAR CITY COUNCIL AND REGULAR REDEVELOPMENT AGENCY
MEETING MINUTES OF APRIL 18, 2007**

Action: Approved the Minutes as submitted.

City Council Action

OTHER BUSINESS:

16. VALLEY TRANSPORTATION AUTHORITY (VTA) BUS PROGRAM UPDATE

Bill Capps, Manager of Service & Operations Planning with VTA, presented a power point presentation, and an update on the status of the upcoming introduction of the Community Bus Service Program in Morgan Hill. What is being proposed are smaller, 28-foot buses that run on gasoline power that would improve circulation in the city. Services have been customized to better fit the community; providing services to schools, shopping and recreation locations. He indicated that the VTA Board has approved the plans for the Community Bus Program, and that implementation is to begin on July 2, 2007. He stated that the fares are under review, and that a proposal is going to the VTA Board for modification; establishing a special reduced fare for community bus service.

Bernice Alaniz, Deputy Director of Marketing & Public Information with VTA, addressed the Community Bus Branding; providing a unique identity, and enhancing the image of the services with a brighter look. She addressed the comprehensive marketing program that would promote the Community Bus Program; including a direct mailer to 15,000 addresses (all residents/businesses in Morgan Hill), radio/television advertisement, additional collateral materials at community events, and providing information on the VTA website. VTA will promote the program on Comcast Cable in order to reach the homes in Morgan Hill without advertising to the rest of the County, and will include ads in the Morgan Hill Times in June. She will also be working with the businesses in the downtown; including store front posters. She informed the Council that a community bus will be included in the Fourth of July Parade and that schedules/information on the program will be distributed at this event. She indicated that VTA will be publishing new routes, and mailing them to every residence, and will provide seat drops two weeks before changing bus stops.

Mr. Capps said that anytime VTA makes a route adjustment, they post a notice at the existing stop; informing individuals where to go to catch a bus.

Mayor Pro Tempore Carr indicated that Charter Communications is the City's cable company provider, and that Comcast has a call center in Morgan Hill, but is not the cable provider for Morgan Hill.

Mayor Tate opened the floor to public comment. No comments were offered.

Action(s): *By consensus, the City Council Received the Presentation on the Revised Community Bus Program Routes by VTA. No Action Taken.*

17. COMMUNITY SPECIAL EVENT FUNDING REQUESTS FOR FISCAL YEAR 2007-2008 BUDGET CONSIDERATION

Special Assistant to the City Manager Spier indicated that approximately a year ago, the Council established a process by which it would evaluate special event funding requests in order to coordinate the funding process and have the opportunity to review them during the budget process. She noted that there have been five major event organizers who have come before the Council requesting subsidies or funding support relating to City services (e.g., Police, Public Works, and the Recreation & Community Services Departments). She stated that a timeline was established that included a deadline of March 31st for the submittal of funding requests/subsidies. She requested Council direction on how it wishes to proceed through the budget process. She indicated that the Council appropriated \$60,000 in the Community Promotions fund last year. She indicated that staff received applications from non profit organizations, and identified the funding recommendations as follows: Safe Trick or Treat - \$5,600; Holiday Parade - \$2,950; Fourth of July - \$28,500; Wag About - \$343 (new event request); United Way 211 Program - \$4,000; and Special Events Trailer - \$8,000 (new funding request that would include equipment for basic street closures). This funding recommendation would result in approximately \$49,300, should the Council include the 211 program and the special event trailer. She informed the Council that United Way would be requesting additional funding at a future Council meeting. She indicated that this would result in a remaining Community Promotions fund balance of \$10,607. She informed the Council that staff just received notice from PG&E that they will be asking the City to start charging for the use of electricity as part of special events. She stated that PG&E representatives are in discussions with City staff about how they would like to pass on these charges. She clarified that PG&E charges are not reflected in the funding recommendations. She informed the Council that there was another request made by the Silicon Valley Community Band Festival for \$547. However, in further review of their application and in discussions with representatives, it was determined that the event did not meet the established criteria as the event will be held at the Community & Cultural Center.

Council Member Grzan inquired why the community event trailer is being recommended for funding from the Community Promotions budget.

Ms. Spier responded that it was suggested that the purchase of the community event trailer come from the Community Promotions budget as it would be a benefit to community-wide events. An added bonus to the purchase of the trailer would be City use for other city purposes.

Council Member Grzan felt that the trailer would become a piece of equipment to be used for special events and by the City. He did not understand why the Community Promotions budget is being recommended as a funding source instead of using Public Works funds or an alternate funding source.

Ms. Spier acknowledged that it would be up to the Council to identify the funding source, or whether it wants to fund the purchase of the trailer.

Mayor Tate opened the floor to public comment. No comments were offered.

Mayor Pro Tempore Carr stated that it appears as though the new funding request process, put into place, is working.

Council Member Grzan said that he would like to see the Community Promotion fund remain as liquid as possible; indicating that there may be other groups that may come to the Council during the year. He would like to hold a reserve just in case funding is needed.

Mayor Pro Tempore Carr noted that Council Member Grzan's recommendation is opposite to what the Council is trying to do with this process. He did not want to see this budget account increased by requests received throughout the year. He would like to continue to send the message that the Council has a process in place to consider funding requests, and recommended that the Council stick to this process; encouraging individuals to follow the process in order to budget correctly. This process would allow for notification and the ability to plan in advance.

Council Member Grzan noted that the Community Promotions budget is a community fund, and that there may be individuals in the community who are not as insightful or plan effectively. He felt that there may be a situation where a group may have a need for assistance, and did not believe they should miss the opportunity to host an event with City support.

City Manager Tewes inquired whether the Council still wishes to again appropriate \$60,000 in Fiscal Year 2007-08 as this is not a continuing revolving fund. It is an annual appropriation to be approved by the Council. He noted that a few years ago, when the City was in tougher budget times, the Council eliminated this funding source, citing that it was one of the "less critical services" compared to other higher priority items. However, over time, the Council realized that funding assistance requests for community events would continue. He noted that the Community Promotion funds are used to offset the costs for special events that benefit the entire community; indicating that these are City imposed costs to provide City services. He said that it is staff's belief that the special event trailer would reduce costs and would allow the Community Promotions dollars to be expanded even further; thus, the reason for recommending funding of the trailer from the Community Promotions budget.

Council Member Lee noted that the request for City assistance equated to \$49,000, and felt that the recommended \$60,000 may be too much to appropriate to the Community Promotion budget.

City Manager Tewes clarified that there are two types of requests the Council receives: 1) Requests from community organizations that provide community-wide events that require a special event permit. 2) During the course of the year, groups will come before the Council to request support for their events. These events do not necessarily require a special event permit. At the time the Council adopted the process, the Council indicated that it would like to consider these types of requests on a case by case basis. Therefore, the remaining funding could be used to fund the second group.

Action(s): *By consensus, the Council **supported** the \$60,000 Community Promotion budget amount for the Fiscal Year 2007-2008 Budget Process for Community-Wide Special Events.*

OTHER BUSINESS:

18. PUBLIC SAFETY & COMMUNITY SERVICES EVALUATION OF POLICE DEPARTMENT SERVICE LEVELS

Mayor Pro Tempore Carr indicated that all Council members were copied on a series of e-mails that were received today. He thanked citizens for providing input into this process. He apologized for not getting back to everyone as Council members received several e-mails today. It was his hope that those who were interested enough to send an e-mail are either in attendance this evening or watching the meeting. He indicated that the Public Safety & Community Services Committee (Committee) have spent three months reviewing this item. He stated that the Council has had the luxury of having a fairly detailed report the Committee put together; acknowledging that the public has not had benefit of the detailed report. However, the report will be made available to citizens. He indicated that Mayor Tate would lead the Council through a power point presentation. He stated that this is a recommendation coming from this Committee based on a goal adopted by the Council. He stated that this is a question about public safety service levels. He said that the Committee used several different matrices, and received a lot of input on public safety needs. It was clear to him that there was no one way of determining public safety in the community or defining this. He felt that there were multiple ways of looking at public safety, and that it is a combination of alternatives and good judgment that goes into this. It is his hope that the information to be presented will assist the Council with making good judgments in where Morgan Hill may be and where it may be going in the future.

Mayor Tate indicated that the Committee held 8 meetings since the adoption of the January 2007 Council Goal: “By May 2, 2007, the Council’s Public Safety & Community Services Committee will evaluate current public safety service levels delivered by the Police Department and will analyze options for investing in greater public safety, including revisions to utilization of existing resources, additional resources or requirements that might reduce the demand for police services. Any recommendations for investing in greater public safety will be based on judgment and a variety of productivity and outcome measures.” He emphasized that the Committee found, in its extensive discussion of this goal, that the bottom line is that the results would be a judgment of the Committee.

Mayor Tate said that it is the Committee’s belief that Morgan Hill is generally a safe place; noting that the City has very low crime rates. A survey conducted approximately a year ago found that approximately 85% of those surveyed were favorable toward the City’s police department. It was felt that the police department was/is doing a good job in providing police services. He stated that the Council knows its police staff very well and that they are proud, dedicated, and committed to their jobs/community. He noted that Morgan Hill is a growing community, indicating that the population for Morgan Hill is at 38,417. As the population grows, so does the number of businesses within the community. He said that shopping opportunities increase, and that there are infrastructures that need to be patrolled. Therefore, the complexity of the community is growing along with the population.

Mayor Tate acknowledged that there are staffing challenges. There are 35 officers on the City’s police force and there are a certain number of the police officers dedicated to patrol who are placed on three 12 hour shifts. This creates complexities when vacations occur, or when police officers are required to make a court visit or become ill. As the community continues to grow, it adds to the complexity. He identified the Committee’s objectives: 1) Enhanced Crime Control; 2) Increase Police Department Patrol Resources - changing the deployment of the 3 days - 12 hours shifts to a different approach, such as 4 days – 10 hour shifts or other flexible schedule(s). Making shift changes would allow for staffing

overlaps, and would require 7 additional police officers at approximately \$1 million in expenditure. It is felt that new sources of funding/revenues are required. Short term, the City could accelerate the hiring of 1 or 2 police officers associated with the DiNapoli Shopping Center. 3) Enhance Crime Prevention; taking away the opportunities that create police demands (e.g., locking away all items in vehicles; requesting the installation of surveillance cameras and/or private security associated with new commercial development). 4) Prioritize the police department resource deployment to make sure that it is being done right. He noted that the City has a benefit in the Municipal Service Officers that support sworn officers. They provide administrative support to the police department (e.g., drive back and forth to the jail, provide relief in report writing). It is being recommended that the City increase the amount of Municipal Service Officers in addition to the number of sworn officers.

Mayor Tate indicated that the City has a SWAT Team and a Hostage Negotiation Team in the Police Department, and that when the Committee reviewed the POST Report completed a year ago, it was suggested that there may be a lot of overhead and training that needs to go into maintaining these units. The Committee recommends the City investigate alternative ways to have these capabilities. It is also felt that the City's detective's workload will grow as the City grows. The Committee felt that long term, these will need to be addressed as well. He identified short term items the City can pursue in order to raise revenues within the police department such as a master towing franchise agreement where the City contracts with one towing company; securing revenues from a towing franchise agreement.

Mayor Tate stated that the Committee has identified six recommendations: 1) The Financial Policy Committee to recommend a voter tax measure. He clarified that it is not being proposed to impose a tax, but asking for research in terms of what kind of revenue measure might be acceptable to the voters of Morgan Hill. 2) Staff to start looking at how the City could conduct outreach to the public to educate them about the pros and cons associated with a measure, and what it will do for the City in terms of addressing the short fall in terms of police resources as the City's population grows. 3) Staff to develop a crime prevention program, if possible, in the central area with use of RDA funding. 4) Explore and understand the financial implications associated with the acceleration of bringing on board 1-2 patrol officers into the FY 07-08 budget. 5) Develop demand management measures; identifying the demand for police services. 6) Recommend potential police revenues such as a towing franchise.

Mayor Pro Tempore Carr thanked the Police Department (Chief of Police and Command Staff) for their efforts in helping the Committee understand public safety, their jobs, and their role in the community. He also thanked City Manager Tewes, and in particular Assistant to the City Manager Brian Stott for his time and assistance in drafting the report. He thanked Mayor Tate for all his Committee work into this item, and for his time in going on a ride-a-long with officers and the time spent at the department with police officers; including a briefing with the department. He stated that the Committee looked at this in multiple ways of addressing public safety. The Committee did not look at this with a strict lens of what can be done to increase the budget of the police department. The Committee looked at crime/public safety levels throughout the community, and discussed how the City can get to these levels of service. The Committee has made recommendations on ways to enhance public safety and service levels through the police department, and looked at how the City can use other types of resources to reduce the demands for these services through crime prevention. He stated that the Committee looked at police services through multiple view points; looking at public safety and service levels.

Mayor Tate opened the floor to public comment.

Dan Ehrler, Chamber of Commerce Director, complemented the Public Safety & Community Services Committee and staff for doing an outstanding job in putting the report and recommendations together. He informed the Council that the Chamber of Commerce will be going through a process and learning more about public safety. He felt that public safety is one of the top priorities and significance to the community and its future. He acknowledged that the City's police department was extraordinary and that for the growth that has occurred, he has seen the impacts and the challenges that they have faced. He stated that the region surrounding the City is growing, and that additional housing and development to the north and the south of Morgan Hill will have an impact to the City. With more people, there will be more challenges. He informed the Council that the Chamber of Commerce would like to assist with the outreach/communication process with regards to the business community, the various shopping areas, and other areas to get their members and business community to respond to the public safety needs. He said that he looks forward to getting involved with this process as early as possible, and to partner with the City; leading to a successful conclusion.

No further comments were offered.

Council Member Lee said that in reading the information, the Committee is stating that police services/public safety is the highest priority of what local government should be doing. She agreed that police services and public safety is the highest priority, and that it should be the largest part of the City's budget. If public safety is the highest priority, she did not know why more money was not being put into this effort. Instead, the City is contemplating asking the citizens for a tax when the City has been funding recreational services; a lower priority to her. She felt that recreation was a great service to have, if it can be afforded; but felt that it was a luxury that will lead to a \$1.5 million deficit this fiscal year. She inquired why the City was not considering a tax on recreation rather than providing the first and foremost service government is supposed to provide.

Mayor Tate objected to Council Member Lee's use of the word "deficit" as it relates to recreation services. He said that there may be deficit funds, but not in specific programs.

Council Member Lee noted that for the month of March, 75% of the year completed, lists a \$1.4 million deficit in total recreation. She acknowledged that revenues are generated in recreation services, but that it is smaller than expenditures. She felt that public safety is of higher priority.

Mayor Tate acknowledged that the City has deficits in many areas because income is not generated from various areas. He was hearing Council Member Lee state that recreation services should be cut, and that those funds be placed into police services. He noted that the Council adopted a goal in January 2007 that states that "The City Manager's proposed budget for fiscal year 2008 should provide for a net cost to the general fund of no more than \$1.6 million for recreation and community services in accordance with the five year financial forecast. He stated that the Council agreed that even though public safety is a higher priority and takes 80% of the City's discretionary general fund budget, the Council still wanted to spend approximately 8-10% of this budget toward recreational services. He indicated that the Council did not exclude recreation when it went ahead and stated that public safety is extremely important. He just went through the Committee's analysis that states that there is no way to get the additional police patrol into public safety with the funds available given the assumptions the Council has made of continuing to fund recreational services.

Council Member Lee stated her support of the goal identified by Mayor Tate. However, her support was before the Public Safety & Community Services Committee returned to the Council to state that the only way to increase public safety was to place a tax measure on the ballot. In looking at what is in the budget, she could not look at the voters in the eye and recommend placing a tax measure on the ballot when the City has funding going out toward recreational services. She felt that the \$1.5 million in recreational services could hire approximately 10 police officers. She recommended that the City's budget consider essential services, and felt that for many years, the City has under funded police services in town. She noted that the City has approximately the same number of police officers in place as in 1990. There was a population of 25,000 in 1990 and the population today is 38,000 residents without increasing police services since the 1990s. She suggested the City find another way to fund public safety such as taxing recreation services, or leasing the recreational facilities to other entities. She did not believe the City has explored the various options. She did not know what the answer is, but did not believe that placing a tax measure on the ballot for additional police services is the answer. She clarified that she was not proposing the closure of any recreational facilities. She was proposing the City place a ballot measure to tax/fund recreational services because police services and the safety of the community are of higher priority than recreational services. She also clarified that she agreed with the goals adopted by the Council in January 2007 until the solution presented by the Committee includes a ballot measure on a tax for increased police services.

Mayor Tate indicated that he has been responding to e-mails he received today and indicated that he considered recreational services to be an important part of the safety and well being of the community. He did not consider recreational services a luxury as it contributes to public safety as it keeps individuals well occupied, and that individuals are not doing other things that could get them into trouble when they are using recreational facilities. He felt that recreational facilities enhance the whole well being of the community. He did not support funding additional recreational services; noting that the Council/Redevelopment Agency has changed its focus of the RDA from facilities to looking into how the City would address some of the other issues such as what is to be done about public safety as the City grows.

Council Member Sellers entered and was seated.

Mayor Pro Tempore Carr said that it is a difficult comparison. He understands where Council Member Lee was coming from, in looking at the budget numbers and seeing that there is a number that is similar to what the Council is talking about here. Further, that Council Member Lee is suggesting that the funding be switched and that if individuals support a tax, they would support a tax for recreation rather than taxing police services. He felt that it is hard to make the comparison because they are both different entities. With recreation, the City is striving to achieve a balance point of where it finds a careful equilibrium of what individuals are willing to pay for this service; still allowing enough community access for those unable to pay for this service. He noted that the City does not charge anyone for police services, and he did not believe the City should charge for this service. He clarified that what the Committee is recommending is that the City enhance the police services in place today because there is some concern about the complexity of the community as it moves forward. This will necessitate paying more for the added service. He felt that it is a different comparison than just identifying the ticket cost to use a swimming pool and the membership to use the Centennial Recreation Center. He indicated that he does not have a way to state that it is an equal comparison because he does not know what this would mean to ask the voters to pay a tax for recreation services for the City's five-year budget plan, and the

City's ongoing budget. He said that the Committee believes there are some things that can be done, in the short term, to address some of the crime issues seen today in both the demand side and the service side. In the long run, the City needs a significant infusion (\$1+ million) of resources for the police department. The Committee is suggesting going to the voters for the infusion. However, the Committee does not know what this would mean in the form of a tax, or when it should go on the ballot. Unless the Council is to dramatically change the goals it set for itself, and dramatically change the five year budget plan, it is not within the City's current structure to find the infusion of money to be able to significantly change service levels in Morgan Hill.

Mayor Pro Tempore Carr noted that in the early 1990s, the police department was decimated due to budget cutbacks attributed to the state of the budget, and that the City has added officers over time. He said that future budgets/multi year plan of the budget continues to add police officers. This may keep up with today's population levels; however, there are multiple ways to look at crime and service levels. He stated that it is the complexity of the community that will require the slope to change in the way the City is adding officers. The Committee has heard from the police department and the different resources that in order to make a significant difference, services need to be en masse instead of in the slope of 1-2 officers in the regular budget cycle. He indicated that the cost can be calculated out based on assumptions/years. The Committee did not go into the depth of determining what the tax mechanism should be.

Mayor Tate noted that the Committee is recommending that the Financial Policy Committee take a look at a possible tax structure. He indicated that the Public Safety & Community Services Committee intends to remain involved as there are still unanswered questions. He felt that the City needs to study the secondary items; yet, minimizing a tax based on what can be expected to come in from the City's forecasted increases in sales tax, etc. It has been indicated that it would take approximately \$1-\$1.5 million to get patrol levels where it needs to be. Should the City be able to find some resources to put toward the crime prevention unit at this time in order to focus on certain blighting situations within the RDA, there would be a finite limit to how long the City could fund public safety. However, it was his belief this is an activity the City would want to fund permanently; determining the funding source. He felt that these are the types of items that need to be looked at in more detail.

Council Member Grzan thanked Mayor Pro Tempore Carr and Mayor Tate for their time and efforts put toward its report and recommendation before the Council. He understands this was a difficult process to undertake; in particular with the timeline given. He indicated that he has a question on every paragraph in the report in terms of what is meant. Although the Committee had the opportunity to ask questions and become educated, he has not. It was his belief that a workshop needs to be held to go through the material in great detail. He stated that he needs a lot more information about what it is the Council is trying to do and quantify, as much as possible, on what the suggested investment will do for the City. He also has questions regarding the POST Report which states that the calls for service in Morgan Hill are very light. The Report makes recommendations that he would like to explore further; including partnerships to reduce costs; looking at the way the City invests its dollars. It could be that the City may want to explore regionalizing some of the police services. He indicated that he would like to explore whether the City of Gilroy would like to partner in some areas. He previously stated that he sees some costs savings to the City should it contract out for dispatch services, or partner with the City of Gilroy for mutual dispatch services. He stated that he could not move forward with any of the recommendations presented this evening until the Council conducts a workshop and has an opportunity

to review the report and alternatives. He felt the Council may wish to bring a consultant on board to reconcile the differences between the POST Report and what the Chief of Police has stated on what can or cannot be done. He felt that this was a significant issue for Morgan Hill; significant in terms of public safety and dollars. He would like the Council to take a much more comprehensive look at this issue as opposed to voting on the issue this evening with the Financial Policy Committee looking at a tax recommendation. He needs additional information, including a ride-along, in order to make a good decision for the community as he does not feel capable of supporting a recommendation based on the information presented this evening.

Mayor Tate indicated that the report before the Council does not recommend going into any contractual relationship within the police department based on the Committee's belief the City needs local control of the police department. However, the Committee left this open should the Council wish to pursue contracting out. He knows there is a lot of demand in the public that suggests the Council look at contracting police services. He felt that a ride-along experience will give an understanding of what a fantastic police department the City has. Police officers know the community and can instinctively react on the streets. Because the police officers know the community well, they know the best way to deploy police personnel. It may be that through a contract, public safety may be conducted according to the book; however, Morgan Hill's police officers know how to perform according to the needs of Morgan Hill. He felt that having a local force is worth the extra cost(s). He did not know if it would be cheaper to move forward with a contract situation as the Committee has not studied this alternative. However, it was his belief that it is worth the extra costs to have a local police unit in place.

Council Member Lee stated that she agreed with the comments expressed by Mayor Tate. However, in order to be able to make a decision, she felt the Council needs to know the difference in costs. It is her belief that police officers and dispatch personnel in Morgan Hill provide top notch services and work very hard. She felt it would be important to know the difference in costs before the Council makes a decision. Having this information would allow the Council to state that contracting public safety may be saving a certain amount of dollars, but that due to the job/services the police officers and/or dispatch staff provides, local control may be better. However, the Council needs to know this information.

Council Member Grzan said that even with a centralized dispatch center you still have the same type of local control and relationship. He referred to the Marina Channel in Monterey County; indicating that police officers and dispatchers know each other by first name. They know the area, the people, and have developed a relationship. He felt there is local control with contract services. He was not suggesting the City centralize dispatch services, but that the City partner with a smaller agency. He did not believe the City should be afraid of pursuing partnership opportunities.

Mayor Pro Tempore Carr noted that there were a few individuals who have suggested contracting out public safety services. It was his belief the question is one that Morgan Hill residents understand and can answer for themselves, intuitively, the value of local control being far greater than any potential costs savings. This would apply to all existing public safety services. He indicated that the City has analyzed dispatch services; noting that the Council received a memorandum on the dispatch issue in the past. He noted that Morgan Hill is not in Monterey County or a part of the municipalities in Monterey County, and that there was nothing in the information provided that indicated this was a smart direction for the City to take. In the report before the Council, it specifically recommends the City retain existing public safety control. Should the Council wish to look at additional information to analyze the dollars in order

to make a decision, it should be an in depth analysis. He acknowledged the Committee did not conduct a full fiscal analysis; however, the Committee asked questions, and performed a certain level of work on this. Committee members agreed that the value of local control is far more important than any potential cost savings. The Council could state to the City Manager that local control is not important and recommend that he go and save \$½ million in the police department. It was his belief the City Manager could find a contract that would make these savings; relinquishing local control. However, he did not believe the City would see the great results seen in the conviction of the gang shooting that occurred the other day. The conviction was attributed to a local team working together in a concertive effort; working with the district attorney's office. He felt that this is a true testament to the local officers, and local control. This is what the Committee placed at a higher level than any potential cost savings.

Council Member Grzan felt that it would be good to save a significant amount of money by contracting out dispatch services in order to hire additional police officers.

Mayor Pro Tempore Carr noted the Council talked about contracting dispatch services multiple times. The Committee gave Council members the ability to bring back additional information to see if it would be interested in opening up the discussion about contracting dispatch services; noting that nothing has been presented to date. He felt that the Council has set direction on this issue.

Council Member Lee agreed with Mayor Pro Tempore Carr that the City's police officers and dispatch personnel have done a great job. She said that citizens have come to her asking why the City has not considered contracting public safety services. It was her belief that keeping local control would be a better idea, but that she would like additional information to state why it makes better sense to have local control; even if there is cost savings involved with contracting out public safety services.

Mayor Tate did not know how the study would be defined as there are different situations that may occur. He did not know how you would have local control in contracting out with an agency. A blue ribbon task force was established in the early 1990s that looked at contracting out the entire public safety services to the Santa Clara County Sheriff's department, and that the task force recommended against contracting out public safety. At that time, the task force found it was more costly to contract out public safety.

Council Member Lee stated that she would like to have information that identifies figures/costs being talked about.

Council Member Grzan recommended that this item be continued to a workshop environment for further discussion as there are conflicting reports between the Chief of Police's report and the POST Report. He stated that he would like to understand the comments made by the Chief of Police in his report. He would also like to review all the statistical information provided; including any missing statistics. He stated that he would not be able to move forward with any recommendations until he has answers to his questions.

Mayor Tate stated that he would support the recommendation of continuing the discussion to a workshop, but asked that Council members document the questions they have on each and every recommendation so that it is a productive workshop.

Council Member Grzan suggested a public workshop be held before the item returns to the Council as he would like to give community members the opportunity to participate, understand the issues, and provide the Council feedback as to what they believe the City's needs might be. He would like to know if the community understands where public safety is today and where it will be tomorrow. He would like to have the public participate at the front end of the discussions on this matter.

Mayor Tate noted that a recommendation of the Committee is that the City conducts a formal public outreach on public safety.

Council Member Sellers stated that it may make sense to forward this matter to the Financial Policy Committee as it was his belief they would conduct an in depth financial analysis; starting with the larger public safety issue. Without this background, he felt it would be difficult to assess the range of costs the City would be looking at. He felt that there would be and should be ample opportunities for public discussion/input. He stated that there are a lot of other significant issues the Council needs to deal with; noting the Council would be absorbing a significantly larger amount of staff resources should the Council conduct a workshop. He did not know if the Council's understanding would be in depth as it would be if it gave the Financial Policy Committee the opportunity to study the issues. He would support referring this item straight to the Financial Policy Committee and having public safety assessed at their level.

Mayor Tate did not believe there would be a large amount of staff time involved as the Committee has conducted research and put information together. If the Council knows what questions need to be answered, he felt a workshop would be productive.

Council Member Grzan agreed to prepare his questions, and provide them to the Chief of Police prior to the workshop so that he can come prepared to respond to questions.

Council Member Sellers felt it important that the Council review the material and discussions conducted last year as part of the community conversation that focused primarily on public safety. He indicated that the City received a tremendous amount of input from the community. If a workshop is held, he recommended that issues and concerns raised as part of the Community Conversation be reviewed as there is a lot of valuable information associated with this information.

Council Member Lee acknowledged that community conversations were held, but recommended the Council keep in mind that there were only 300 residents that participated in the conversations. She did not know if this was a statistically significant number.

Mayor Pro Tempore Carr stated that 300 individuals committed over two hours of their time to learn about City issues; including public safety. These individuals were then able to talk about the issue from an educated standpoint. He felt this was more valuable information to him than a statistical survey.

Council Member Sellers clarified that it was his goal, in mentioning the community conversation, that the information gathered should be part of the discussion. He felt that the manner in which Council members assesses this information will be done individually. He inquired whether the Chief of Police would be asked about his initial assessment about contracting out public safety.

Mayor Tate indicated that the Public Safety & Community Services Committee made a recommendation in the report, and opened it up to the rest of the Council to state whether it would like to study contracting out public safety.

Council Member Grzan stated that the Financial Policy Committee has included looking at any cost efficiencies in contracting out dispatch services in its workplan.

Council Member Lee stated that she would like to weigh contracting dispatch services against local control.

Council Member Sellers felt that you would be paying the same amount for services in contracting out regardless of who provides the service. He stated that he would be interested in the discussion about using Redevelopment Agency resources, and that he would like this to be a part of the discussion as well. He expressed concern about the implications associated with the use of Redevelopment Agency funds, and in focusing on a specific part of the community. If a workshop is to be held, he recommended that it be in a setting that would be conducive to having the kind of discussion that needs to take place.

Council Member Grzan recommended the workshop be held after the budget process.

Mayor Tate noted that there are recommendations contained in the Committee's report that call for examining public safety as part of this budget cycle. He recommended that the Financial Policy Committee be authorized to explore the financial implications of accelerating a program to add 1-2 patrol officers earlier than proposed with the DiNapoli Center.

Council Members Grzan and Sellers supported the recommendation of having the Financial Policy Committee exploring the implications of accelerating the hiring of 1-2 police officers.

Mayor Pro Tempore Carr indicated that it was the Committee's goal/task to return to the Council with recommendations that would become a dialogue as part of the budget process. He agreed that a workshop is important; noting that the Committee has been looking at this issue for three months. He felt that everyone will need to do a significant amount of homework prior to the workshop. It was his hope that the focus of the workshop will be about the items before the Council; focusing on the Committee's recommendation. He did not want to see the Council heading out toward other areas that will take time and resources to explore, and will not move the Council forward to where it needs to be. The Council needs to have their questions answered and to get to the ultimate goal of increasing public safety service levels in Morgan Hill. He said that there are other items in the report that are important to a budget process. Unless the Council wants to give general direction to the City Manager that staff pursue the additional police officers in the budget process, he would be concerned about holding off on these items until the workshop is held. He referred to page 143 of the agenda packet. He noted that the third, fourth, fifth and sixth bulleted items have budget implications.

Action: *Council Member Grzan made a motion to **direct** staff to return with the financial implications of an accelerated funding plan to employ additional police officers earlier than currently scheduled; returning to the Council during the budget process. A second to the motion was not made.*

Council Member Lee inquired whether the question of using Redevelopment Agency funding for the City's core area (bullet item 3) needs to be examined.

Mayor Tate clarified that it is being suggested that the City use Redevelopment Agency funding to eliminate blight in the redevelopment area, from a crime standpoint.

Mayor Pro Tempore Carr explained that this item is fundamentally about how the City conducts code enforcement in the City. The Committee asked the Chief of Police and his staff if they could identify where calls for service come from, geographically. This information has been provided to the Council; noting that a majority of the calls come from within the Redevelopment Agency boundary area. The recommendation is about how the City would address geographic areas that have become targets for crime. The question is whether the City can become more active in code enforcement to clean up the areas that might be blighted as the Redevelopment Agency is becoming more involved in being able to stop potential areas that have become havens for crime.

Council Member Grzan indicated that he reviewed the chart that was put together on increased calls for service in the redevelopment area. However, calls for service were not defined (e.g., traffic stops, car accidents, burglaries, real crimes, etc.). He would like to know what the calls for service were for.

Mayor Pro Tempore Carr said that the issues that are requiring service at this particular area needs to be identified, and decisions made on how to get the resources in to solve this problem. It is being recommended that the City get to the root of the problem and solve the calls for service. He did not know if the Committee would be able to get to the level of details to identify every call for service is.

City Manager Tewes indicated that as the city manager, he has the responsibility of preparing and recommending a budget per the Municipal Code. He noted that the Council has provided him some guidelines already. It is his responsibility to present his recommendations to the Council on a budget it will be receiving in approximately two weeks. Should the Council have further direction, it would be helpful to know the direction this evening. Otherwise, it was his belief the Council has identified items that are of interest for the next fiscal year beginning July 1, and items the City needs to begin working on at this time that have long term implications. It was his hope the Council uses the budget workshop to focus on next fiscal year. He recommended that discussions about items that have longer term implications be separated from this as there will be a number of important budget decisions the Council will need to make. He felt it appropriate for the Council to identify which Committee it would like staff to begin developing additional information for consideration. He would be cautious about collecting data for the sake of collecting data. He stated that staff can provide an analysis on the calls for service; however, it would be important for staff to know if the Council has different priorities for the calls for service. He indicated that each call for service is a legitimate call for service. The call for service either addresses crime or activities demanded by citizens. It also defines the service levels, collectively. Should the Council wish to suggest that certain calls for service not be responded to, it would be helpful to know this as well. He said that staff can fine tune the call for service analysis such that staff can identify how many of the calls for service were for traffic, barking dogs, auto burglaries, etc. However, all calls for service demand the response of a police unit. Unless the Council wants to change the expectations of how the City will meet the community's needs, he was not sure how important it was to know precisely the calls for service.

City Manager Tewes reminded the Council that there will come a time when the full Council will be reviewing all the workplans of the various committees and commissions. The Council will have the opportunity to discuss whether or not the workplans reflect the Council's priorities. He said that approximately a year ago, the Public Safety & Community Services Committee issued a report and recommendation to the full Council. The conclusion of the report was that it was not appropriate to further pursue a staff analysis on contracting dispatch services. However, this item was placed on the table for discussion, but was not voted upon. Therefore, this item was tabled and the Council will need to address this item at some point. With respect to contracting out all police services, he appreciated Mayor Pro Tempore Carr's suggestion that should the Council gave staff direction to try and save money, staff would make that effort. If money was the only criterion, the City could contract out and probably save some money. He did not know to what level of savings it is worth giving up local control. He felt this to be a political judgment the community looks for the Council to make. He did not believe this would be a judgment that would come from an analysis. He stated that the City could hire a consultant to tell the City what it might be able to save; hypothetically. However, you never know what the City would save until it actually obtains proposals from the City of San Jose, City of Gilroy, and/or Santa Clara County Sheriff's Department. Going through the proposal process to obtain the final number is an important political decision because it is stating that it is worth pursuing. Should the City decide to go through the proposal process, the City needs to receive serious proposals, not just test the water. He felt that there needs to be a series of political judgments before the City engages in a lot of analytical work about contracting out.

Action(s): *On a motion by Council Member Sellers and seconded by Council Member Grzan, the City Council unanimously (5-0) **Requested** that staff schedule a workshop; following the budget process this year; focusing on a comprehensive analysis of the City's public safety situation. Council Members are to pass on any particular concerns they would like addressed to staff.*

City Council and Redevelopment Agency Action

OTHER BUSINESS:

19. STRATEGY FOR EXPENDITURE OF REDEVELOPMENT TAX INCREMENT FUNDS

Mayor/Chairman Tate indicated that this item has returned to the Council/Agency Board based on Council/Agency Member Grzan's recommendation that the City include trails into a category of the Redevelopment Implementation Plan.

City Manager/Executive Director Tewes recommended that this item return to the Council/Agency Board because, on a number of occasions, the Council adopted formal policies and have asked staff to return and make sure that it accurately recorded its policies. He felt it important that when staff amended the policies that the Council/Agency Board sees the entire document and that it be endorsed by the Council. Last week, it was suggested that the addition of expenditures for parks be included in the strategy for the expenditure of Redevelopment Tax Increment funds. He referred to page 213 of the agenda packet; noting that staff recommends how this could be accomplished, should it be supported by the Council.

Council/Agency Member Grzan did not understand why staff placed the inclusion of a trails expenditure as a fourth priority.

City Manager/Executive Director Tewes noted that trails are community facilities and the policy adopted by the Council suggests that community facilities were the lowest in priorities.

Council/Agency Member Grzan felt that it was important for the City to create open space. He sees the restoration of Little Llagas Creek enhancing the redevelopment area, especially along Monterey Road, and could make a significant amount of improvements that would encourage good development along this area. He indicated that Little Llagas Creek has received a unanimous approval from the Parks & Recreation Commission; Library, Culture & Arts Commission and the Bicycle & Trails Committee as being an important asset to the community. He would hate to see the City lose the opportunity of funding part of a development in conjunction with other agencies in this phase of the redevelopment agency. He recommended that this item be moved up at least to second priority.

Mayor/Chairman Tate opened the floor to public comment. No comments were offered.

Council/Agency Member Sellers felt it important to add this as a priority for the reasons stated and as listed in the staff report. With other things being equal, he did not see this item moving up in priority ahead of some of the other items the Council/Agency members have already identified through an exhaustive process. He felt it to be a correct decision to add this item, and that it was important to assess it. He noted that the item would be called out as a priority, as needed.

Action(s): *On a motion by Council/Agency Member Sellers and seconded by Council/Agency Member Lee, the City Council/Agency Board, on a 4-1 vote with Council/Agency Member Grzan voting no, **Reviewed** and **Approved**, the revised “Strategy for Expenditure of Redevelopment Tax Increment Funds” as presented by staff.*

20. COUNCIL’S ECONOMIC DEVELOPMENT GOAL

City Manager/Executive Director Tewes clarified that the information contained in the agenda packet is a part of a series of background material previously presented to the Council. On the Dais this evening, is the Economic Development Strategy adopted by the Council last week.

Council/Agency Member Grzan noted that the executive summary of the staff report recommends an increase in the number of jobs that provide sustainable wages for Morgan Hill residents. He inquired whether the City knows how many jobs, what kinds of jobs, and/or what a sustainable wage is for Morgan Hill.

City Manager/Executive Director Tewes noted that the Council adopted a goal that asked its Community & Economic Development Committee to return with recommendations on a strategy on how to achieve objectives identified at the January 2007 retreat relating to increasing jobs and reducing vacancies. He noted that the Council had a specific proposal from the Chamber of Commerce on how they proposed to achieve the Council’s objectives. He said that the Council felt it important to have some understanding on how the City would approach these objectives; noting that there are other alternatives to accomplish these objectives. Last week, the Committee presented the Council/Agency Board a paper entitled “Issues

for Consideration” which could be used to evaluate different approaches to achieving the three objectives identified in January. There might be a suggestion by the Council/Agency Members this evening that it identify particular numeric goals as they evaluate the objectives. He noted that the Committee has identified 13 points as listed on pages 217-219 in the agenda packet. He said that the Economic Development Strategy before the Council/Agency Board was staff’s attempt to capture the Council’s discussion of last week. He clarified that the Council/Agency Board did not adopt these recommendations. Instead, a number of Council/Agency Members indicated that they had questions and concerns; requesting continuation of the discussion until this evening’s meeting.

Mayor/Chairman Tate opened the floor to public comment.

Dan Ehrler requested that the Council/Agency Board direct the Community & Economic Development Committee to evaluate the Chamber of Commerce’s Economic Development Marketing and Recruitment proposal and other options.

No further comments were offered.

Council/Agency Member Grzan stated that he would agree to approve the Strategy before the Council/Agency Board with the stipulation that these are goals that will return to the Council/Agency Board on how these items are to be accomplished. He requested that the Committee and/or staff return to the Council explaining how the goals are to be achieved in addition to data (e.g., number of jobs to be increased; identify resources that will go into the goals, etc.). He stated his support of the Strategy as these are items the Council/Agency Board would like to accomplish.

Council/Agency Member Sellers indicated that the Committee will be reviewing the Chamber of Commerce’s proposal and other proposals; returning to the Council with a recommendation on how best to achieve the goals.

Council/Agency Member Grzan noted that the Chamber of Commerce’s goals did not provide great details on how they were going to accomplish the goals. He needs to know the square footage in terms of how much reduction of current commercial/industrial is being suggested, if possible. He felt that the Chamber of Commerce needs to identify goals, programs, objectives and methods on how to achieve the goals.

Mayor/Chairman Tate said that these are issues for consideration that will be used to evaluate the Chamber of Commerce’s proposal. He referred to item 7 that suggests the City reallocate or allocate more resources toward economic development activities. He noted that it is the Committee’s recommendation to provide more resources toward marketing/recruitment activities and business ombudsmen services, especially for small businesses. He noted that justification for this recommendation has been provided. It appears that if an individual wishes to propose additional marketing and recruitment activities, the Council/Agency Board should approve it. It sounds as though this is an automatic way to accept the Chamber of Commerce’s proposal. He was not stating that he was against the Chamber of Commerce’s proposal, but that he needs to understand why it is felt it is a good idea to provide resources toward marketing/recruitment activities and ombudsmen services. He stated that he does not see the nexus yet. He indicated that he was not ready to approve item 7 as he would like the Committee to return with a justification in support of item 7 as part of the evaluation of the Chamber’s proposal.

Council/Agency Member Sellers indicated that the Committee would return to the Council/Agency Board explaining why it focused on certain issues, whether or not it believes the Chamber can achieve the goals, and why it believes the Chamber of Commerce's proposal is better than any other options.

Mayor Pro Tempore/Vice-chair Carr said that it was his understanding that there are 13 questions/issues for consideration which would evaluate the Chamber of Commerce's proposal. He was not sure that it focuses on where the Council is with its goals for economic development. He did not understand how this would be a useful tool for the Committee. He said that there are several questions where the answer is that "the Council needs to decide." He agreed with Mayor/Chairman Tate on this issue as it applies to item 7, as well as item 1, where it is stated that there should be continued focus on infrastructure development. Yet, he noted that the Committee is recommending the Council/Agency Board not change its focus, but change the emphasis to perform more marketing and recruitment services. He does not know why a change in emphasis is being proposed. He stated that he was struggling with how to answer the questions, and in providing input to the Committee on assisting in evaluating the Chamber's proposal. He was struggling with using the 13 questions as the basis to review the Chamber of Commerce's proposal. He requested that the City Manager/Executive Director and staff conduct an evaluation of the Chamber of Commerce's proposal as well.

Council/Agency Member Sellers acknowledged that more specificity is needed, and that the Committee will attempt to return with a recommendation. He said that the Committee would be comfortable in taking the recommendations back and defining them better. He felt that the Committee can evaluate the Chamber of Commerce's proposal concurrently in the review and defining the parameters. He noted that this item is under a time constraint because of the budget process. Although it would be highly preferable to give direction to the Chamber of Commerce's proposal prior to the budget process, he did not believe it was an absolute requirement. He felt the Committee can recommend a variety of parameters to the Council/Agency Board. The Council/Agency Board can adopt the budget; moving through the evaluation process. If there is a funding recommendation assessed down the road, the Council/Agency Board can accommodate it. However, it is the goal to incorporate this in the budget process.

Mayor/Chairman Tate supported a formal action to request a recommendation from the Committee on the Chamber of Commerce's proposal, based on the comments expressed this evening, as well as the guidelines for evaluating the proposal.

Mayor Pro Tempore/Vice-Chair Carr understands the Committee is under a tight timeline to conduct their evaluation as the Council/Agency Board requested that the evaluation be completed in time to be considered as part of the budget process. Should the Council/Agency Board want to move forward with the proposal based on what it knows today, he felt the Council/Agency Board may disagree with the assumptions used in the evaluation process when the Committee returns with a recommendation. He noted that the Council/Agency Board did not determine/set the parameters for the evaluation process.

Mayor/Chairman Tate stated that the Council/Agency Board could keep trying to come to terms on the parameters, and delay the process, or the Council/Agency Board can give the Committee some leeway.

City Manager/Executive Director Tewes reminded the Council that he has the responsibility of recommending an annual budget, and as staff prepares the annual budget, it is staff's intention to address

what resources would be necessary to accomplish the aspects of the goals identified by the Council/Agency Board. It is not simply whether the City should fund the Chamber of Commerce's proposal, but to determine the options. He informed the Council that staff will be developing options for the Council/Agency Board's consideration as well.

Council/Agency Member Sellers said that it may increase the anxiety level of the Chamber of Commerce should the Council/Agency Board not be able to get resolution as part of the budget process. Regardless, he felt the Council/Agency Board will give significant financial direction, and that the Committee will try to do what it can.

Action: *Mayor/Chairman Tate made a motion, seconded by Council/Agency Member Sellers, to **direct** the Community & Economic Development Committee to make a recommendation back to the Council/Agency Board on the Chamber of Commerce's proposal; incorporating the Council/Agency Members' comments; making modifications to the issues for consideration according to comments.*

Mayor Pro Tempore/Vice-chair Carr felt that multiple discussions on this item have been more helpful to him than asking the Committee to take undefined guidelines and try to return with a recommendation. He noted that the City Manager/Executive Director just stated that the Council/Agency Board would be given a series of options as part of the budget process; one of which will be on the Chamber of Commerce's proposal. It could be that the Council/Agency Board does not need a recommendation as it gained a lot of information in going through the process that accomplishes the goals it set for itself. He stated that he gained a lot of useful knowledge/resources that he will use in the budget process. It may be that the Council/Agency Board does not need to ask the Committee to do anything more.

Mayor/Chairman Tate stated that he still does not know the answer to the questions he asked about item 7. It was his hope that by sending the Committee to do the work, they could return with a recommendation and advise what the City would get out of the Chamber's proposal.

Mayor Pro Tempore/Vice-chair Carr agreed that it would be helpful to get the Council/Agency Board's questions answered in more detail, but does not know if the answers need to be applied to anything.

Council/Agency Member Grzan recommended the Council/Agency Board accept the report this evening, and not take action. The Council/Agency Board could see what staff recommends as part of the budget process; evaluating proposal options.

Mayor Pro Tempore/Vice-chair Carr supported the Committee refining the issue(s), if possible; providing the Council/Agency Board with additional information as it considers the proposal. He did not know if he needs the Committee to give him a recommendation as he would have to conduct his own evaluation, and that the information brought to him would be what he uses. He did not believe that asking the Committee to conduct further evaluation would reduce the Committee's workload, but that it would get the Council/Agency Board off the focus on how it would evaluate the Chamber of Commerce's proposal. Instead, getting the focus back on what the Council's goals are about. He felt that the Council should be asking the Committee to spend its time and resources in helping to figure out the Council goals, and a way the Council could evaluate the Chamber of Commerce's proposal

Action: *Mayor/Chairman Tate and Council/Agency Member Sellers withdrew their motion.*

Mayor Pro Tempore/Vice-chair Carr said that it was his understanding the Council adopted an Economic Development Strategy last week; noting that the Strategy does not reflect the Council's current goal. He inquired whether the Committee would be returning with suggestions to alter the Strategy.

Mayor/Chairman Tate stated that the staff report before the Council this evening added an item 13 that states that the Council/Agency Board will hold a workshop in fall 2007 to update the Strategy. He understands the desire of having an up to date Strategy that can be endorsed at this time, but this is a process that requires a workshop to get there. The Committee can return with a recommendation, and that the Council/Agency Board can discuss whether it is the appropriate update recommendation.

FUTURE COUNCIL AGENCY-INITIATED AGENDA ITEMS:

At the request of Council Member Grzan, City Manager Tewes presented the Council with an update on the Butterfield Boulevard extension; indicating that based on the Redevelopment Agency's priority setting, it is the City's intent, over the next five years, to acquire the right of way, and to design and build the extension of Butterfield Boulevard south to Watsonville Road, north to Madrone Parkway. He indicated that this item will be considered by the Council when staff recommends the budget in a couple of weeks. He clarified that staff will be recommending that the extension of Butterfield Boulevard be a priority of the CIP budget, and that staff has identified the resources to accomplish the extension.

- Taylor Avenue/Ginger Way Group Homes (Mayor Tate)

City Manager Tewes indicated that this item will return to the Council on May 23, 2007

- Changes to Mayor Tate's outside agency assignments (Mayor Tate)
- Role of Council Committees versus of the role of Commissions; discussion on Council Committee workplans to make sure they are consistent, and to understand objectives (Mayor Pro Tempore Carr/Mayor Tate)

City Council Action

CLOSED SESSION:

City Attorney Kern announced the below listed closed session items:

1.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority:	Government Code section 54956.9(a)
Case Name:	Arcadia Development Company v. City of Morgan Hill
Case Number:	County of Santa Clara No. 1-04-CV-020598.
Attendees:	City Manager; City Attorney; Special Counsel

2.

CONFERENCE WITH LABOR NEGOTIATOR:

Authority:	Government Code Section 54957.6
Agency Negotiators:	City Manager; Human Resources Director
Employee Organizations:	Employees Covered under Management Resolution No. 6061

Redevelopment Agency Action

CLOSED SESSION:

Agency Counsel Kern announced the below listed closed session item:

1.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Authority:	Government Code 54956.8
Property:	17440 Monterey Road, APN: 726-14-028
Negotiating Parties:	
For City:	City Manager, Director of Business Assistance & Housing Services, City Attorney
For Property Owners:	Sherman House Associates
Closed Session Topic/Under Negotiation:	Price and Terms of Payment

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Tate opened the Closed Session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Tate adjourned the meeting to Closed Session at 10:23 p.m.

RECONVENE

Mayor/Chairman Tate reconvened the meeting at 10:54 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney/Agency Counsel Kern announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business, Mayor/Chairman Tate adjourned the meeting at 10:55 p.m. in Memory of Virginia Acton.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK/AGENCY SECRETARY